<u>INITIAL STATEMENT OF REASONS</u>

a. <u>Specific Purpose of the Regulations and Factual Basis for Determination that Regulations Are Necessary</u>

Section 44-207.113(a) Handbook

Specific Purpose:

This section is being amended to remove the cross reference to the Minimum Basic Standards of Adequate Care (MBSAC) chart, which changes annually. An additional sentence has been added to refer the reader to the most recent All County Letter (ACL) on the California Department of Social Services (CDSS) website. This section is also being amended to remove the parens from the following sentences: "The MBSAC figures are subject to a cost-of-living adjustment on July 1 of every year. These updates to the MBSAC figures are published by CDSS through an annual All County Letter."

Factual Basis:

The current regulation refers the reader to the MBSAC amounts listed in Section 44-315.311. The correct reference should have been Section 44-315.321. This amendment is necessary because the MBSAC chart referring to specific MBSAC amounts is being removed. The revised regulation refers the reader to the most recent ACL available on the CDSS website instead. This avoids the necessity to revise the Manual of Policies and Procedures annually, each time the MBSAC changes. MBSAC figures are transmitted to County Welfare Departments (CWDs) through an annual ACL. The removal of the parens around the sentences referenced above is non-substantive.

Section 44-315.32

Specific Purpose:

This section is being amended to clarify that the Maximum Aid Payment (MAP) levels are set forth in subsequent sections following Welfare and Institutions Code (WIC) section 11450. This section is further being amended to clarify that MAP levels are subject to change and are transmitted through an ACL when updated. This section also adds a sentence to refer the reader to the most recent ACL available on the CDSS website to obtain the most recent MAP figures.

Factual Basis:

This amendment is necessary because the MAP chart referring to specific MAP amounts and accompanying notes are being removed. Instead, the regulations will refer to statute. This avoids the necessity to revise the Manual of Policies and Procedures every time the MAP changes. MAP figures are transmitted to CWDs through an ACL whenever they change. Consequently, this amendment is necessary to refer the reader to the most recent ACL available on the CDSS website for the most updated MAP figures.

Section 44-315.321 Handbook

Specific Purpose:

This section is being amended to remove the Region 1 and Region 2 MBSAC and MAP amount charts from the handbook section, leaving only the Region 1 and Region 2 county listings. This section is also renamed to reflect that it contains only the listing of Region 1 and Region 2 counties.

Factual Basis:

This amendment is necessary to comply with WIC section 11450.021(a), as amended by Assembly Bill (AB) 1811 (Chapter 35, Statutes of 2018). AB 1811 increases the MAP payments by ten percent. Removing the MAP charts and referring to statute and the most recent ACLs available on the CDSS website instead avoids the necessity to revise the Manual of Policies and Procedures every time the MAP changes. Changes to the MBSAC and MAP figures are transmitted to CWDs through ACLs.

Section 89-110.1 Handbook

Specific Purpose:

This section is being amended to remove the cross reference to the MAP amount charts in Section 44-315.321. This section is also being amended to clarify that MAP levels are set forth in WIC section 11450 et seq., are subject to change, and updates to the MAP levels are transmitted through an ACL, which is published on the CDSS website.

Factual Basis:

This regulation currently refers the reader to the MAP amounts listed in Section 44-315.321. This amendment is necessary because the MAP chart referring to specific MAP amounts is being removed. Instead, the regulations will refer to WIC section 11450 et seq. This avoids the necessity to revise the manual every time the MAP changes. MAP figures are transmitted to CWDs through an ACL whenever

they change. Consequently, this amendment is necessary to refer the reader to the most recent ACL available on the CDSS website for the most updated MAP figures.

Section 89-110.2

Specific Purpose:

This section is being amended to remove the cross reference to the MAP amount charts in Section 44-315.311. This section also moves the phrase "using the rules in this section" to the beginning of the sentence for more clarity and adds a reference to WIC section 11450 et. seq.

Factual Basis:

This regulation currently refers the reader to the MAP amounts listed in Section 44-315.311. The correct reference should have been Section 44-315.321. This amendment is necessary because the MAP chart referring to specific MAP amounts is being removed. Instead, the amended regulation will refer to WIC section 11450 et. seq. This avoids the necessity to revise the Manual of Policies and Procedures every time the MAP changes.

b. Identification of Documents Upon Which Department Is Relying

AB 1811 (Chapter 35, Statutes of 2018) Sections 24 and 25.

c. Local Mandate Statement

These regulations do impose a mandate upon local agencies but not upon school districts. The mandate is not required to be reimbursed pursuant to part 7 (commencing with Section 17500) of Division 4 of the Government Code or Section 6 of Article XIII B of the California Constitution because implementation of the regulations will result in no additional costs to local agencies.

d. Statement of Alternatives Considered

In developing the regulatory action, CDSS did not consider any other alternatives because there were no other alternatives proposed. AB 1811 (Chapter 35, Statutes of 2018), Sections 24 and 25 specifically requires that CDSS implement MAP increases through regulations. These regulations would implement these increases by referring to the appropriate WIC sections which pertain to the MAP and by referring to the All County Letters issued by CDSS for the most recent MAP amounts.

The CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would

be as effective as and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

e. Statement of Significant Adverse Economic Impact on Business

The CDSS has made an initial determination that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. This determination was made based on the proposed regulatory action, which was designed to impact the regulations that only affect individuals applying for or receiving CalWORKs.

f. Economic Impact Assessment [Government Code section 11346.3(b)]

In accordance with Government Code section 11346.3(b), CDSS has made the following assessments regarding the proposed emergency regulations. This analysis is intended to be a tool or baseline to establish that these regulatory measures are the most cost-effective to affected California enterprises and equally effective in implementing the statutory policy or other provision of law.

The proposed regulations include the ten percent MAP increase in the CalWORKs program.

Creation or Elimination of Jobs Within the State of California

The adoption of the proposed regulations will neither create nor eliminate jobs in the State of California. The justification for this statement is that the proposed regulations implement the above-mentioned statutes and only affect individuals applying for or receiving CalWORKs.

Creation of New or Elimination of Existing Businesses Within the State of California

The adoption of the proposed regulations will neither result in the creation of new businesses nor elimination of existing businesses in the State of California. The justification for this statement is that the proposed regulations implement the above-mentioned statutes and only affect individuals applying for or receiving CalWORKs.

Expansion of Business Within the State of California

The adoption of the proposed regulations will not result in the expansion of businesses in the State of California. The justification for this statement is that the proposed regulations implement the above-mentioned statutes and only affect individuals applying for or receiving CalWORKs.

Benefits of the Regulations

The benefits of the regulatory action to the health and welfare of California residents, worker safety, and the state's environment are as follows: The amended and adopted regulations will increase the likelihood of stable families moving towards self-sufficiency, resulting in a positive economic impact to the state. There are no additional benefits for worker safety or the state's environment, as the regulations only affect individuals applying for or receiving CalWORKs.

Documents Relied Upon

AB 1811 (Chapter 35, Statutes of 2018), Sections 24 and 25.

g. Benefits Anticipated from Regulatory Action

The benefits of the regulatory action to the health and welfare of California residents, worker safety, and the state's environment are as follows: The amended and adopted regulations will increase the likelihood of stable families moving towards self-sufficiency, resulting in a positive economic impact to the state. There are no additional benefits for worker safety or the state's environment, as the regulations only affect individuals applying for or receiving CalWORKs.

h. Statement of Specific Technology or Equipment

This regulatory action will not mandate the use of new, specific technologies or equipment.